Form MR-SMO (Revised March 2, 2004)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Sait Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

| 9 | GENERAL INFORMATION (Rule R647-3-104) | |
|------------|--|---|
| 1. | Name of Mine: CACTUS QUARRY | |
| 2 . | Name of Person or Entity Applying for Permit: <u>ERNIE</u> RAY HALE Address: <u>SAME AS # 3</u> | |
| | City, State, Zip: | |
| | Phone: Fax: | |
| | E-mail Address: | |
| | Company () Corporation () Partnership () Individual () Other () – specify type) | |
| | A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? | u |
| | Business License # APPLIED FOR | |
| | Registered Agent (as identified on business license): <u>ERICA HALE</u> | |
| | Address: 17.32 N. 4.50 W- # 111 | |
| | City, State, Zip: PROVO, VTAH 84604 | |
| | Phone: <u>801 427 1701</u> Fax: | _ |
| | E-mail Address: | |
| | SAME AS #2 FONE O ISOLO | |
| 3. | Name of Operator (if different from #2) ER/Y/E R- MALE | |
| | Address: 1450 South 600 WEST | |
| | City, State, Zip: DAKLEY WAHD \$3346 | |
| | Phone: 208 662 1,3393 Fax: 208 862 3393 | |
| | E mail Address: | |

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JUN 2 5 2004

DIV. OF OIL, GAS & MINING

| | dividual: / partner: |
|--|--|
| Address: | |
| City, State, Zip: | Fax: |
| Phone: | Fax: |
| E-mail Address: | |
| | / Partner: |
| City, State, Zip; | |
| Phone: | Fax: |
| E-mail Address: | |
| | Title: Title: Title: Title: |
| | 1100 |
| | r Representative (if different from #3): |
| | , |
| City State Zip: | |
| Phone: | Fax: |
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| E-mail Address: | |
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208-862-3393

Page 3 Form MR-SMO BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):_ Utah State Lease Number(s): PENDING APPLICATION# Name of Lessee(s) Have the above surface and mineral owners been notified in writing? 7. No If no, why not?___ Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements. Does the Permittee / Operator have legal right to enter and conduct mining 8. operations on the land covered by this notice? Yes PROJECT LOCATION & MAP (Rule R647-3-105) II. Project Location (legal description): County(les): BOXELDER

 5 E
 1/4, of
 NW
 1/4, of
 1/4: Section:
 Township:
 11
 N
 Range:
 16

 1/4, of
 1/4, of
 1/4: Section:
 Township:
 Range:
 Range:

 1/4, of
 1/4: Section:
 Township:
 Range:

 (if known) UTM North Name of Quad Map for Location: POTTERS CREEK WARM SPRING HILLS U A topographic base map showing the location of the proposed small mining operation 2. must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) 3. must be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next

marker in either direction is clearly visible with the naked eye.

10.

| R-SMO | |
|------------|---|
| <u>ope</u> | RATION PLAN (Rule R647-3-106) |
| 1. | Type of mining: Surface Underground |
| 2. | Mineral(s) to be mined: QUARTZITE DIMENSION STONE |
| 3. | Amount of material to be extracted, moved or proposed to be moved: |
| 4. | Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes □ No ■ If yes, please describe (add extra pages if needed) |
| 5 . | Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). BUILD A WORK BENCH AT DRAINAGE LEVEL ON WEST SIDE OF HILL. |
| 6. | PLACE OVERBURDEN + STONE WASTE IN A TEMPORY STORAGE PILE BEHIND (WEST OF) WORK BENCH, TOPSOIL IN A SEPARATE PILE THEN QUARRY THE VEIN UPHILL CONCURRENTY RECLAIMING THE DOWN H SIDE New Road(s): Length NA (ft) Width (ft) |
| 7. | □ Improved Road(s): Length (ft) Width (ft) -4 A |
| 8. | Total project surface acreage to be disturbed: 2 (acres) PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI). |
| 9. | Proposed startup date of project (month, year) JUNE 2004 |
| 10 | Proposed completion date of project if known (month, year) UN KNOWN |

OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109) IV.

Proposed completion date of project, if known (month, year)_

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- Keep the mining operation in a safe, clean, and environmentally stable condition. 1.
- Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry. 2.
- Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- Construct berms, fences, or barriers, when needed, above highwalls and excavations.

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- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- Remove all waste or debris from stream channels.

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- Dispose of any trash, scrap metal, wood, machinery, and buildings. 7.
- Conduct mining activities so as to minimize erosion and control sediment. 8.
- Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoll and suitable overburden.
- 12. Property prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

| V. | VARIANC | E REQUEST | (Rule R647-3-110 | D) |
|----|---------|-----------|------------------|----|
|----|---------|-----------|------------------|----|

| Yes □ | No □ |
|---------------|---|
| Requirements, | viations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging or R647-3-109, Reclamation Practices, as summarized above, should be identified ication given for the variance request(s). |
| Item Number | Variance Request Justification |
| | |
| | |

SURETY (Act 40-8-7(1)[c]) VI.

The Utah Mined Land Reclamation Act (40-8-7(1)[c]) provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved notices consistent with on-site conditions. The surety amount is based on the following average calculations. These amounts are used as a general guide and may take individual discretionary judgment into consideration. \$5,000 for the 1st acre; and

\$3,000 for each additional acre. Note: Partial acreages are rounded up to the next highest #.

The surety must be provided to the Division prior to commencement of operations.

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VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), and revised July 1, 2002, permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

| Name: <u>ER</u> Address:/ | NIE | R. | HA | LE | | | | |
|------------------------------|------|-------|---------------|------|-----|------|------|---|
| Address: 7 | 450 | S. | 600 | W- | | | | |
| City State Zip: | DAKI | FV | <i>i.</i> (2) | AHO | | 3346 | | |
| Phone: 208 | 862 | - '3. | 393 | Fax: | 208 | 862 | 3393 | |
| E-mail Address: | | | | | | | | - |
| Name: | | | | | | | | |
| Address: | | | | | | | | |
| City, State, Zip:_ | | | | | | | | |
| Phone: | | | | Fax: | | | | _ |
| E-mail Address: | | | | | | | | |

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

I have enclosed the required permit fee. I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished. I further understand that I am not authorized to create any surface disturbance until the surety amount is posted and I have received written approval from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form <u>must</u> be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

| Signature of Permittee/ Operator/ | Applicant: | RHale | |
|-----------------------------------|------------|-------|------|
| Name (typed or printed): | ERNER. | HALE | |
| Title/Position (If applicable): | | | |
| Date: | | | |

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State of Utah DEPARTMENT OF COMMERCE Division of Corporations & Commercial Code Business Name Registration / DBA Application

| Non-Refundable Processing | Fee [.] | _ |
|---------------------------|------------------|---|
| New Filing | \$22.00 | |
| Applicant/Owner Transfer | N/A | |

| WARNING: The filing of this | application and its approval by the Division of Corporations and Commercial Code |
|--|--|
| does not authorize the use in the | State of Utah of an assumed name in violation of the rights of another under |
| federal, state, or common law (I | J.C.A. Section 42-2-5 Et seq.) |
| Not say the this upplies to our passet as | DOLGE GRANNE DIVISION OF COMMENCE OF THE RESERVE OF THE SECOND OF THE SE |
| According to the control of the cont | ron, -fryens and fakting you must be jude one a copyr show. The number of a PESAPS and the sum the state of |
| | and the same of th |
| - A Registration information (burge) | Office: Which will affect its status as a General Barthership or Sole Proprietorship, was must submit. |
| | hanging the extensivaline), when CIDA Situates required: |
| | BUSINESS INFORMATION |
| Requested Business Name: | Cactus Quarry |
| | Mine building stone |
| Business Address: | 1450 South 600 West |
| | |
| | City: Oakley State; 12 Zip: 83346 |
| Registered Agent: | Signature: The Hal |
| Registered Address: | ERICA HALE |
| Utah Street Address Required, PO Boxes can be listed on the line | 1732 N 450 W # 1/1 |
| below the Street Address | City: PROVO State: UT Zip:\$4604 |
| | INFORMATION ABOUT YOU THE APPLICANTIONNER. |
| if the applicantioner is a suspen | rest the present with the first in fore straight are increased in additional the comment of the |
| | enter of Grandle specific and delicate |
| | APPLICANT/OWNER INFORMATION |
| Is the applicant/owner a register | |
| | Name: ERNIE RAY HALE Address: 1450 South 600 WEST |
| Is this Applicant/Owner/Partner name & | |
| uddress the same as the Registered Agen name & address listed above? | City: DAKLEY State: 1D Zip: 83346 |
| O Yes O No | Signature: E.R. Hala |
| | |
| | Name:Address: |
| Is this Applicant/Owner/Partner address | |
| the sume as address listed directly above | Clty:State:Zip: |
| O Yes O No | Signature: |
| IF NEEDED, YOU ! | MAY USE AN ATTACHED SHEET FOR ADDITIONAL APPLICANTS |

Under GRAMA [63-2-201], all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.

Mail In: PO Box 146705

Salt Lake City, UT 84114-6705 Walk In: 160 East 300 South, Main Floor

Information Center: (801) 530-4849
Toll Free: (877) 526-3994 (within Utah)

Fax: (801) 530-6438

Web Site: http://www.commerce.utah.gov